



THE CITY OF SAN DIEGO MANAGER'S REPORT

DATE ISSUED: June 2, 2004

REPORT NO. 04-123

ATTENTION: Honorable Mayor and City Council
Agenda of June 7, 2004

SUBJECT: Fiscal Year 2005 Funding Recommendations for Arts and Culture

SUMMARY

THIS IS AN INFORMATIONAL REPORT FOR DELIBERATION DURING THE FISCAL YEAR 2005 PROPOSED BUDGET HEARINGS.

Issues - Should the Council approve the City Manager's proposed Fiscal Year 2005 Special Promotional Programs recommended budget distributions for the City of San Diego Commission for Arts and Culture's (Commission) Organizational Support Program, Festivals and Celebrations, Neighborhood Arts Program, Public Art Fund and the Department's Administrative budget? Or should the Council approve the Commission's recommended distribution of the Manager's proposed allocation? The differences are as follows:

Program	City Manager's Recommendation	Commission's Recommendation
Administration	\$884,990	\$884,990
Organizational Support Program	\$6,918,695	\$7,053,884
Festivals and Celebrations	\$507,467	\$434,538
Neighborhood Arts Program	\$218,260	\$75,000
Public Art Fund	\$60,129	\$60,129
Council Discretionary Funds	(above)	\$81,000
Total Proposed Budget	\$8,589,541	\$8,589,541

City Manager's Recommendations - Support the Commission for Arts and Culture's recommended distribution of \$8,589,541 from the Special Promotional Programs budget. This recommendation changes the City Manager's programmatic distribution of the funds without changing the bottom line.

Commission Recommendation - The Commission for Arts and Culture's recommended distribution for the \$8,589,541 budget is more clearly defined as follows:

- Allocate \$7,053,884 for Fiscal Year 2005 Arts and Culture Organizational Support Program (OSP) contracts to eighty-eight (88) arts and cultural organizations;
- Allocate \$434,538 for Fiscal Year 2005 Festivals and Celebrations contracts to forty-one (41) nonprofit organizations;
- Allocate \$75,000 to the Neighborhood Arts Program (NAP);
- Allocate \$60,129 to the Public Art Fund; and;
- Allocate \$884,990 to the Arts and Culture Department's Administrative budget.

Fiscal Impact - The City Manager's Proposed Fiscal Year 2005 Budget for Arts and Culture is \$8,589,541. The Commission's proposal also totals \$8,589,541. Both budgets include \$81,000 for Council augmentations. The City Manager's proposal has included the augmentation funding within the Organizational Support Program and Festivals and Celebrations line items.

BACKGROUND

The City Manager delivered the budget to the Mayor and Council on May 3, 2004. The City Manager's budget allocated funding to various line items as shown on page one, with some discretion left up to the Commission. Following the announcement of the Manager's budget, the Commission further evaluated its funding needs and priorities and deliberated on the distribution of the Manager's funding allocation. At the Commission's regular meeting on May 21, 2004, the Commissioner's unanimously approved a slightly different distribution of the funds that takes into account adjustments necessary to distribute equitably a budget that is reduced by 10% over the FY 2004 budget. The Manager agrees with the Commission's recommendation as shown on the first page of this report.

The work of the Commission has evolved since its inception in 1988. In the beginning, the primary function of the fifteen-member Commission was to develop a process for evaluating and recommending funding for arts and culture organizations to the City Manager, Mayor and City Council. Today, the Commission plays a key leadership role in promoting the stability, development and vitality of the city's arts and culture community. Over the years, the Commission has developed innovative programs, policies and services that are recognized as models throughout the United States.

Balancing the diverse interests of the arts and culture community is a unique challenge. The Commission is responsible for making arts and culture programs and activities accessible to all of San Diego citizens while simultaneously gaining City Manager, Mayor and City Council support for increased funding and policies that foster cultural development. The Commission works diligently to deliver a clear message that arts and culture benefit the local economy and impact the city's quality of life and reputation as an international cultural destination.

DISCUSSION

When the Commission was established, the first objective was to design a fair and equitable process to recommend how arts and culture organizations would be funded. However, distribution of financial resources alone did not satisfy the Commission's goal to promote the stability and development of the arts and culture community. Supporting professional management, fiscal accounting and board development are key factors.

Annually, the Commission monitors and evaluates projects, conducts site visits and provides technical assistance in strategic planning, board development and fiscal management. The Commission's

continued efforts to improve the fiscal solvency of funded organizations have resulted in a direct economic benefit to the city. Organizations funded under the Organizational Support Program (OSP) leveraged nearly \$116.2 million in operating expenditures during 2003, provided 5,042 job opportunities and attracted over 3.9 million admissions, including 1.6 million out-of-town visitors.

Organizational Support Program

This year, the Commission received 91 (ninety-one) OSP applications requesting over \$9.9 million. The Commission Advisory Panels (CAP) reviewed them, following an evaluation by staff for completeness and compliance. Two CAPs, comprised of Commissioners and community members with expertise in nonprofit management and in the fields of arts and culture, reviewed and ranked the proposals according to the published criteria. Their evaluation included final performance reports and a history of panel comments from previous years. Applicants were ranked in a two-step process: 1) each panel member ranked each application individually and 2) the ranks were averaged, with the resultant scores determining the applicant's ranking within its OSP level. Organizations received a notice of their rank and the panel's comments and had an opportunity to appeal the rank in a formal hearing.

The Commission recommends the allocation of FY 2005 OSP funding to eighty-eight (88) organizations. Two of the ninety-one (91) applicants were ineligible for funding and one was withdrawn by the applicant. Attachment 1 (Funding Methodology and Most Frequently Asked Questions) is an outline of the methodology the Commission uses to determine the funding recommendations. Attachment 2 is a summary spreadsheet of OSP funding distributions based on the Commission's recommendation. During the review process, eight applications were referred to the Commission's Funding Committee for additional review. These organizations were considered separately due to inconsistencies or noncompliance issues that made it difficult to rank them with the others. The Funding Committee takes their long history of City support and their contributions to the community into consideration when determining their allocations.

Festivals and Celebrations

The Festivals and Celebrations program involves communities and neighborhoods in the development of festivals, street fairs, parades and other civic events that enhance neighborhood pride, identity and unity. Festivals and Celebrations became part of the Commission's administrative oversight in FY 99 with the funding of twenty-seven (27) festivals, street fairs, parades and special events. Effective community outreach and increased technical assistance have contributed to the growth and quality of this program as evidenced by twenty-four (24) of forty-three (43) applicants receiving the highest ranks of "4" and "4-." The Commission recommends the distribution of \$434,538 in contracts for services to forty-one (41) groups as described on Attachments 3 and 4.

Neighborhood Arts Program

The NAP provides arts and cultural programming in neighborhoods and encourages creative collaborations between artists, residents, businesses and non-profit organizations. In its twelfth year, the NAP completed an extensive redesign processes. As a result, the program better supports projects that make arts and culture activities available and accessible to the community, increasing participation and making arts and culture central to people's lives.

Public Art Program

The Public Art Program funds staff and administrative support for the management and maintenance of the City's art collection, and selected Capitol Improvement Program public art projects. Other

components of the program reflected in the Public Art Fund and the Arts and Culture department budget include policy development, planning, artist competition coordination, technical assistance, information dissemination and development of legislative incentives encouraging public art projects for other public agencies, in private development and in partnership with non-profit organizations. The Public Art Fund will be used for services in support of on-going public art in neighborhood projects, immediate maintenance needs, website and database management, promotions, and general administrative duties related to the implementation of the Public Art Master Plan.

In FY2004, the Commission received a two-year \$65,000 National Endowment for the Arts grant in support of the Neighborhood Design Arts Program (NDAP), a collaborative effort with Partners for Livable Places, San Diego. NDAP's goals, through a competitive request for proposal process, are to challenge artists and community members to develop public art proposals that integrate quality public art and design in the community, create public spaces that evoke a strong sense of place and community character and provide neighborhoods with an opportunity to be involved in the public art process.

Administration and Special Initiatives

The Commission's administrative budget supports many programs that serve non-profit organizations which educate and expose the public to a rich and diverse range of artistic and cultural activities. Additional funding from a variety of public and private sources enables the Commission to implement a broad range of effective programs.

In FY2004, the Commission and the San Diego Performing Arts League embarked on a new Diversity Initiative. Guided by a steering committee of fifteen (15) community members, the Initiative explores how inclusion of diverse communities can expand the long-term viability of San Diego's arts and culture organizations; helps arts and culture organizations develop action plans that create and sustain diversity; and ensure ongoing community support and participation.

The Commission also assists in the leadership of the Centre City Development Corporation's Community Plan Update Steering Committee's Arts and Culture Subcommittee. The Arts and Culture Subcommittee is a group of representatives from arts organizations, business leaders and downtown residents who provided oversight to a needs assessment conducted by AMS Planning and Research. The resulting study will inform the Downtown Community Plan Update including information about current arts and culture assets and programs in downtown San Diego as well as provide recommendations to secure the future growth of arts and culture downtown.

The Commission continues its partnership with the San Diego Foundation's *Arts and Culture Working Group*. Designed to increase private sector funding resources for the arts and culture community, this board of community volunteers, led by a full time staff person, is charged with engaging and building partnerships with fund advisors, local, regional, and national foundations and the donor community at large.

In FY2004, after four successful years, the Commission participated in *San Diego Art + Sol*, its cultural tourism partnership with the San Diego Convention and Visitors Bureau (ConVis). This advertising and promotions campaign marketed San Diego's cultural assets to tourists as well as residents. Large scale promotional initiatives such as *San Diego Art + Sol* leveraged funding from the Commission, ConVis and a dozen leading arts and culture institutions with resources from American Express, NBC 7/39 and *San Diego Magazine* to support the publication and distribution of semi-annual color magazine brochures, additional print and broadcast advertising and the *San Diego Art + Sol* website.

In FY2004, the Commission maintained its successful track record with the National Endowment for the Arts by receiving a \$15,000 grant to develop a folk and traditional arts presence on the Commission's website. Funds will be used to build a resource directory for public use that provides community access to the hundreds of folk and traditional artists throughout the region, thus bringing them recognition as well as increased visibility.

ALTERNATIVES

Do not approve these specific recommendations.

Respectfully submitted,

Victoria L. Hamilton
Executive Director
Commission for Arts and Culture

Approved: Bruce A. Herring
Deputy City Manager

Note: Attachment 5 is not available in electronic format. A copy is available for review in the Office of the City Clerk.

Attachments:

- [1. Organizational Support Funding Methodology and Frequently Asked Questions](#)
- [2. OSP Funding Recommendations Based on Commission's Proposed Allocations](#)
- [3. Festivals and Celebrations Funding Recommendations Based on the Commission's Proposed Allocations](#)
- [4. Festivals and Celebrations Funding Methodology and Frequently Asked Questions](#)
5. Council Policy 100-3

			RANK VALUE	4	Festivals	75					Available	434,538			Codes: Adjustments to Funding	
				4-		70					Allocated	434,538			A	Cap Request @ 10% of Available
				3+		55					Remaining	(0)			B	New applicants - 50% of Recomm
				3		45									C	Return applicants - 70% of Recomm
				3-		36									D	No Adjustments to funding
				2+		0									E	This rank not funded
				2		0										
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			RANK VALUE											
			Rank	% of Request							Codes and Notes to Spreadsheet			
			4	75 %			Available	434,538		A	Cap Request @ 10% of Available			
			4-	70 %			Allocated	434,538		B	New applicants - 50% of Recomm.			
			3+	60 %			Remaining	0		C	Return applicants - 70% of Recomm			
			3	50 %						D	No Adjustments to funding			
			3-	29 %						E	This rank not funded			
			2+	0 %						New applicants - No prior year information				
			2	0 %						FY05 Request amount is based in part on a required 3:1 cash match.				
			History				Current							
Order	District		Yrs	FY04	FY04	FY04	Budget for	FY05	Adjusted	FY05	FY05	Change From	Code	
#	Served	ORGANIZATION	Funded*	Final	Council	Rank	Computing Request	Request	Request	Rank	FINAL	FY04 Final		
1	2	Historic Old Town Community Foundation - Fiesta Cinco de Mayo	7	36,780		4	325,124	81,281	43,454	4	32,591	(\$4,190)	A	
2	6	Firefighters Advisory Council to the Burn Institute - Fire Expo	7	24,500		4	263,189	40,000	40,000	4	30,000	\$5,500	D	
3	3	Adams Avenue Business Association Adams Ave Street Fair	7	36,780		4	156,636	39,159	39,159	4	29,369	(\$7,411)	D	
4	2	Discover Pacific Beach - Pacific BeachFest	7	20,745		4	103,823	25,956	25,956	4	19,467	(\$1,278)	D	
5	6	San Diego Asian Film Foundation - San Diego Asian Film Festival	4	22,050		4	97,550	24,388	24,388	4	18,291	(\$3,759)	D	
6	3	Hillcrest Business Improvement Association - CityFest	7	13,905		4	74,658	18,665	18,665	4	13,999	\$94	D	
7	1	San Diego Dance Alliance - Nations of San Diego Intern'l Dance Festival	4	25,698		4	73,556	18,389	18,389	4	13,792	(\$11,906)	D	
8	7	SDSU Foundation - Border Voices Poetry Project	7	26,380		4	71,326	17,832	17,832	4	13,374	(\$13,006)	D	
9	6	Linda Vista Multi-Cultural Fair Inc - Linda Vista Multi-Cultural Fair	7	5,668	3,500	4	34,859	8,715	8,715	4	6,536	\$868	D	
10	2	Cabrillo Festival Inc. - Annual Cabrillo Festival	7	5,053		4	28,058	7,015	7,015	4	5,261	\$208	D	
11	8	Sherman Heights Community Center Dia de los Muertos	7	1,897		3+	5,714	1,276	1,276	4	957	(\$940)	D	
12	2	Gaslamp Quarter Association - Mardi Gras Celebration & Parade	7	19,202		4-	375,244	93,811	43,454	4-	30,418	\$11,216	A	
13	2	San Diego Armed Services YMCA - N.San Diego Bay July 4th Celebration	3	13,201		3+	85,903	21,475	21,475	4-	15,033	\$1,832	D	
14	2	San Diego Chinese Center - San Diego Chinese New Year Celebration	4	13,603		4-	65,015	16,254	16,254	4-	11,378	(\$2,225)	D	
15	6	Pacific Southwest Wildlife Arts Inc. - California Open Wildlife Festival	4	13,801		3	61,154	15,288	15,288	4-	10,702	(\$3,099)	D	
16	2	Ocean Beach Main Street Association - O.B. Street Fair	7	12,188		4-	56,900	14,225	14,225	4-	9,958	(\$2,231)	D	
17	3	North Park Main Street - North Park Spring Festival	7	8,155		4-	49,413	12,353	12,353	4-	8,647	\$492	D	
18	2	Centre City Dev. Corp. - Downtown San Diego Multicultural Festival	4	7,446		4-	36,716	9,179	9,179	4-	6,425	(\$1,021)	D	
19	2	Veterans' Memorial Center - Veteran's Day Parade	3	8,969		3	36,397	9,199	9,199	4-	6,439	(\$2,530)	D	
20	2	Point Loma Association - Point Loma Concert Series	4	9,260		4-	32,290	8,072	8,072	4-	5,650	(\$3,610)	D	
21	1	Rancho Penasquitos Town Council - Fiesta de los Penasquitos	7	1,934	5,000	4-	24,649	6,162	6,162	4-	4,313	\$2,379	D	
22	4,8	San Diego Young Artists Music Academy - Multicultural Music and Arts Extravaganza	2	1,254		3-	14,750	3,687	3,687	4-	1,807	\$553	C	
23	7	Rolando Community Council - Rolando Street Fair	5	2,263		4-	9,082	2,271	2,271	4-	1,590	(\$673)	D	
24	2	San Diego Film Foundation - San Diego Film Festival	1				45,044	11,261	11,261	4-	3,941	\$3,941	D	
25	6	AFC Dixieland Jazz Society - San Diego Dixieland Jazz Festival	7	31,526		3+	215,500	53,875	43,454	3+	26,072	(\$5,454)	A	
26	1	Torrey Pines Kiwanis Foundation - La Jolla Festival of the Arts/Food Fair	5	6,000		3+	170,081	10,000	10,000	3+	6,000	\$0	D	
27	1,2,5,6,8	San Diego Fleet Week Foundation - San Diego Fleet Week	3	22,691		3	88,775	22,193	22,193	3+	13,316	(\$9,375)	D	

Order #	District Served	ORGANIZATION	Yrs Funded*	FY04 Final	FY04 Council	FY04 Rank	Budget for Computing Request	FY05 Request	Adjusted Request	FY05 Rank	FY05 FINAL	Change From FY04 Final	Code
28	3	San Diego EarthWorks - EarthFair	6	11,903		3+	79,698	19,925	19,925	3+	11,955	\$52	D
29	1,5	Rancho Bernardo Chamber -RB Alive! Street Fair	7	8,497	5,000	3	62,369	15,592	15,592	3+	9,355	\$858	D
30	5	Spirit of the Fourth Inc. - Independence Day Celebration	3	7,266		3	41,377	10,344	10,344	3+	6,206	(\$1,060)	D
31	2	Peninsula Chamber Commerce - Point Loma Cultural Faire	7	5,534		3+	38,450	9,613	9,613	3+	5,768	\$234	D
32	5	I-15 Diamond Gateway Chamber - Carmel Mtn Ranch Festival	7	10,265		3+	31,042	7,759	7,759	3+	4,655	(\$5,610)	D
33	3	North Park Lions Club - North Park Lions Club Holiday Parade	4	2,924		3-	19,924	4,981	4,981	3+	2,989	\$65	D
34	7	Kiwanis Club Tierrasanta - Tierrasanta Oktoberfest	4	3,092		3	12,800	2,898	2,898	3+	1,739	(\$1,353)	D
35	3	Bon Temps Social Club of San Diego - San Diego Cajun Zydeco Music and Food Festival	2	14,449		3	107,859	26,965	26,965	3+	11,325	(\$3,124)	C
36	3,2	Downtown San Diego Partnership - City Arts Festival	1		2,500		37,497	9,374	9,374	3	2,344	\$2,344	B
37	4	Encanto Community Fund - Encanto Street Fair/Cultural Arts Festival	6	17,865		3-	169,789	42,447	42,447	3-	12,296	(\$5,569)	D
38	4	Diamond Community Development Corp. - QBR Harlem Book Fair	2	0	5,000	2-	67,000	16,750	16,750	3-	4,852	\$4,852	D
39	3,2,8	San Diego Alliance for Asian Pacific Islanders - Asian Pacific Islander American Heritage Festival	2	3,348		3-	39,644	9,911	9,911	3-	2,010	(\$1,338)	C
40	2,4	Alpha Phi Alpha Fraternity - Martin Luther King Jr. Pageant/Parade	7	2,241		3	15,617	3,904	3,904	3-	1,131	(\$1,110)	D
41	3	WorldBeat Center - African Market and Drum Festival	1				181,000	45,250	43,454	3-	12,588	\$12,588	A
42	2	Blues Lovers United of San Diego - San Diego Blues Festival	5	0		2	42,413	10,603	10,603	2	0	\$0	E
43	1	La Jolla Town Council - La Jolla Parade and Holiday Festival	1				11,447	2,861	2,861	2	0	\$0	E
		* Years funded go from 1998-2005			\$ 21,000		3,308,855	768,540	\$669,935	3.64	\$434,538		